

**SUBCOMMITTEE ON GAS AND ELECTRIC  
INFRASTRUCTURE SAFETY**

**JERRY HILL, CHAIRMAN**



**IMPROVING SAFETY OVERSIGHT AT THE  
CALIFORNIA PUBLIC UTILITIES COMMISSION**

Monday, November 18<sup>th</sup>, 2013

Hiram W. Johnson State Office Building  
Milton Marks Auditorium  
455 Golden Gate Avenue, San Francisco

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**Written Submission of Utility Workers Union of America (UWUA)**

The Utility Workers Union of America (UWUA), representing over 6000 workers in the regulated gas, electric and water industries in California, commends the Subcommittee and Chairman Hill for demonstrating the determination to drive the energy utility providers in California in the direction of improving the service and operational quality they deliver to the public, in the wake of the San Bruno explosion.

Chairman Hill has been a key player in creating the legislative framework for safety policy, which the Legislature enacted in 2011 in the Natural Gas Pipeline Safety Act of 2011. Pub. Util. Code sections 955 through 970, inclusive. This was a suite of bills including AB 56, Stats. 2011 Ch.519 (Hill); SB 44, Stats. 2011 Ch. 520 (Corbett); SB 216, Stats. 2011 Ch.521 (Yee); SB 705, Stats. 2011 Ch.522 (Leno), and SB 879, Stats. 2011 Ch. 523 (Padilla).

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This legislation declares that safety of the public and utility employees is the top priority in operating California's gas system (Pub. Util. Code section 963(b), added by SB 705) and requires gas utilities and the Commission to develop and implement safety plans that achieve specified safety-related objectives (Pub. Util. Code section 961, added by SB 705). In addition, it formally designates the CPUC as the state's responsible entity for implementing and enforcing federal pipeline safety standards. (Pub. Util. Code section 955(b), added by SB 44).

The directive of the legislation is to shift the industry from a reactive "culture of compliance" to a proactive "culture of performance."<sup>1</sup> As the Commission stated its objective in its initial rulemaking order following the explosion:<sup>2</sup>

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<sup>1</sup> One of the CPUC's first actions after San Bruno was to convene a blue ribbon Independent Review Panel (IRP) made up of industry experts and academics familiar with the management of large organizations. Its report and recommendation was published in June 2011. Report of the Independent Review Panel (Report of the IRP), Page 9. "To move to a regulatory model based on performance and effectiveness will require a shift in the mindset of the entire agency and will require courage and innovation to implement." Report of the IRP, Volume 2, page 25. See also *Ibid.* at 54: "Compliance and expenditures for projects authorized in rates are the driving forces affecting the infrastructure investment and maintenance program of PG&E's gas operations. A "compliant" company

“We must ensure that our gas utilities recognize that mere compliance is not enough. Safe pipeline operations must begin with utility management and the culture it creates in the workrooms and field crews of the utility. The pipeline operators must have a corporate ethic and workplace culture that places safety as their first responsibility.” (emphasis added)

This echoes and amplifies the Legislature’s command:

Pub. Util. Code Section 963(b)(3):

It is the policy of the state that the commission and each gas corporation place safety of the public and gas corporation employees as the top priority. The commission shall take all reasonable and appropriate actions necessary to carry out the safety priority policy of this paragraph consistent with the principle of just and reasonable cost-based rates.

Public Util. Code section 961(d):

The plan developed, approved, and implemented pursuant to subdivision (b) shall set forth how the gas corporation will implement the policy established in paragraph (3) of subdivision (b) of Section 963 and achieve each of the following:

...

Unfortunately, as the excellent staff report makes clear, the CPUC has not made rapid progress in accomplishing this shift. Chairman Hill’s leadership in providing consistent and insistent oversight is the critical next step to assure that the Legislature’s policies of “safety first” and “performance” in actually achieving safety goals is implemented according to its terms at the CPUC and the utilities.

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may or may not be running a safe system. Rather, only if the adherence to the letter of the regulation leads to an overall approach of process excellence is safety promoted. (emphasis added)

<sup>2</sup> R.11-02-019, at page 8; see also: D.11-06-017 (issued June 9, 2011), Section 3: “We are resolute in our commitment to improve the safety of natural gas transmission pipelines. In this context, it is absolutely essential that our regulated utilities display the highest level of candor and honesty. ... To perform our Constitutional and statutory duties, we must have forthright and timely explanations of the issues, as well as comprehensive analysis of the advantages and disadvantages of potential actions.” (emphasis added)

In this regard UWUA supports the Sub-Committee's oversight activities and makes two general suggestions:

(1) the Legislature should help the Commission overcome its reluctance to establish aggressive goals for service quality and safety:

- timely response to gas leak reports from the public and utility employees;
- complete permanent repair of leaks when discovered rather than ;
- preventive scheduled maintenance for key components such (without limitation) as valves, pipes, and pressure regulators;
- timely turn-ons of gas service, including new service orders and reconnection of shut-off gas service;
- timely repair of appliances and removal of dangerous appliance components;
- adequate opportunities for customers to communicate their safety and service concerns to the utility before an incident occurs;
- adequate protection for utility facilities in the ground from excavators.

(2) the Legislature should encourage the CPUC and utilities to assure that utilities employ an adequate workforce – appropriately sized and appropriately trained to achieve the standards for safety and emergency response that the public expects.

There is no excuse for delay or deferral of repairs and response for scheduling reasons related to worker shortages.

Utility workers have the knowledge and experience in facility operation and customer service to make a significant contribution to the process of setting safety policy and implementing it. The Legislature has provided direction that includes utility workers in all aspects of establishing and implementing the safety plans going forward. UWUA thanks the Chair and the Sub-Committee for the opportunity to share these views.